



**A summary of the bestselling  
book by Stephen R. Covey.**

*From The Seven Habits of Highly Effective People by Stephen R. Covey. Published by Simon & Schuster.*

## INTRODUCTION

Our character, basically, is a composite of our habits. Because they are consistent, often unconscious patterns, habits constantly express our character and produce our effectiveness - or our in effectiveness. In the words of Aristotle, "We are what we repeatedly do. Excellence, then, is not an act, but a habit."

I identify here seven habits shared by all truly effective people. Fortunately, for those of us not born effective (no one is), these habits can be learned. Furthermore, the collective experience of the ages shows us that acquiring them will give you the character to succeed.

Some years ago, I decided to read all the success literature published in the United States since its beginning in 1776 - hundreds of books, articles, and essays on self-improvement and popular psychology.

I noticed a startling thing: Almost all the writings that helped build our country in its first 150 years or so identified character as the foundation of success. The literature of what we might call "The Character Ethic" helped Americans cultivate integrity, humility, fidelity, temperance, courage, justice, patience, industry, and the Golden Rule. Benjamin Franklin's autobiography is a prime example.

Compared with the early success literature, the writings of the last 50 years seem superficial to me - filled with social image consciousness, techniques, and quick fixes. There, the solutions derive not from the Character Ethic, but the Personality Ethic:

*Success is a function of public image, of attitudes and behaviors, of skills that lubricate the process of human interaction. I don't say these skills are unimportant. But they are secondary.*

If there isn't deep integrity and fundamental goodness behind what you do, the challenges of life will cause true motives to surface, and human relationship failure will replace short-term success. As Emerson once put it, "What you are shouts so loudly in my ears I cannot hear what you say."

Changing our habits to improve what we are can be a painful process. It must be motivated by a higher purpose, and by the willingness to subordinate what you think you want now for what you know you want later.

As you open the gates of change to give yourself new habits, be patient with yourself. This is not a quick fix. But I assure you that you will see immediate benefits. And if you see the whole picture clearly, you'll have the perseverance to see the process to its conclusion. Have faith - it's worth the effort. Remember what Thomas Paine said: "What we obtain too cheap, we esteem too lightly; 'tis dearness only which gives everything its value. Heaven knows how to put a proper price upon its goods."

Acquiring the seven habits of effectiveness takes us through the stages of character development. Habits 1 through 3 make up the "private victory" - where we go from dependence to independence by taking responsibility for our own lives. Acquiring habits 4 through 6 is our "public victory": Once independent, we learn to be interdependent, to succeed with other people. The seventh habit makes all the others possible - periodically renewing ourselves in mind body, and spirit.

# 1

## HABIT ONE – BE PROACTIVE

You won't find it in an ordinary dictionary, but the word is common now in management literature:

*Proactivity* means that as human beings, we are responsible for our own lives.

If we think our lives are a function of our conditions, it is because we have, by conscious decision or by default, chosen to empower those things to have control over us - we have let ourselves become reactive. Reactive people are often affected by the weather, proactive people carry their own weather with them.

Being proactive means recognizing our responsibility to make things happen. The people who end up with the good jobs are those who seize the initiative to do whatever is necessary, consistent with correct principles, to get the job done.

I worked with a group of people in the home- improvement industry. A heavy recession was taking a toll on their business, and they were discouraged as we began the seminar. The first day, we talked about "What's happening to us?" The basic answer was that they were laying off their friends just to survive. The group finished their first day even more discouraged.

The second day, we talked about "What's going to happen in the future?" They concluded things were going to get worse before they improved. They were more depressed than ever.

On the third day, we focused on the proactive question, "What is our response?" In the morning, we brainstormed practical ways of managing better and cutting costs; in the afternoon, we talked about increasing market share. By concentrating on a few do-able things, everyone was able to wrap up the meeting with a new spirit of excitement and hope, eager to get back to work. We all had faced reality, and discovered we had the power to choose a positive response.

You can find a clue to whether you now have the proactive habit by looking at how you speak. Do you find yourself using these expressions?

*"That's the way I am."* There's nothing I can do about it.

*"He makes me so mad!"* My emotional life is outside my control.

*"I have to do it."* I'm not free to choose my own actions.

For all of us, there are many things that concern us that we can't do anything about, for now. But there are also things we can do. Proactive people work on their circle of influence - the people and things they can reach - and spend less energy on their much wider circle of concern. By keeping their focus on their circle of influence, they actually extend its area.

As you become more proactive, you will make mistakes. While we choose our actions freely, we cannot choose their consequences - which are governed by natural law, out in our circle of concern. The proactive approach to a mistake is to acknowledge it instantly, correct it, and learn from it. To delay, to deny the mistake, is to miss its lesson. "Success," said IBM founder T.J. Watson Sr., "is on the far side of failure."

Try this exercise for 30 days:

- 1) Work only in your smaller circle of influence;
- 2) Make small commitments to yourself and others, and keep them;
- 3) Be a light, not a judge; be a model, not a critic; be the solution, not the problem.

If you stall to think some important problem in your life is "out there" somewhere, stop yourself. That thought is the problem.

## **HABIT TWO – BEGIN WITH THE END IN MIND**

In your mind's eye, see yourself going to the funeral of a loved one. As you walk into the chapel, notice the flowers, the soft organ music. You see the faces of friends and family; you feel the shared sorrow of losing, the joy of having known.

As you reach the front of the room and look inside the casket, you suddenly come face-to-face with yourself. This is your funeral, three years from now. Take a seat and look down at the program in your hand. The first speaker is from your extended family; the second is a close friend; the third is an acquaintance from your business life; the fourth is from your church or some community-service organization where you've worked.

What character would you like each of these speakers to have seen in you - what difference would you like to have made in their lives?

The second habit of effectiveness is to begin with the end in mind. It means to know where you're going so as to understand where you are now, and take your next step in the right direction. It's amazingly easy to get caught up in an activity trap in the busyness of life, to work harder and harder at climbing the ladder of success only to discover it's leaning against the wrong wall. We may be very efficient by working frenetically and heedlessly, but we will be effective only when we begin with the end result in mind.

The best way to start is to develop a personal mission statement. It describes what we want to be (character) and to do (achievements). The following is from my friend Rolfe Kerr's personal mission statement:

Succeed at home first;  
Seek and merit divine help;  
Remember the people involved;  
Develop one new proficiency a year,  
Hustle while you wait;  
Keep a sense of humor.

You could call a personal mission statement a sort of written constitution - its power lies in the fact that it's fundamentally changeless. The key to living with change is retaining a sense of who you are and what you value.

Start developing your mission statement, like Kerr's, from a core of principles. I mention this because all of us are drawn away from real effectiveness when we make our center something other than our principles.

### **Thriving on change requires a core of changeless values.**

Being spouse centered might seem natural and proper. But experience tells a different story. Over the years, I have been called on to help many troubled marriages; the complete emotional dependence that goes with being spouse centered often makes both partners so vulnerable to each other's moods that they become resentful.

The self-esteem of someone money centered can't weather the ups and downs of economic life; money-centered people often put aside family or other priorities, assuming everyone will understand that economic demands come first. They don't always, and we can damage our most important relationships by thinking that they do.

Being pleasure centered cheats one of lasting satisfactions. Too much time spent at leisure, on the paths of least resistance, insure that our mind and spirit become lethargic, and our heart unfulfilled.

We want to center our lives on correct principles. Unlike other centers based on people and things subject to frequent change, correct principles don't change. We can depend on them.

Your mission statement may take you some weeks to write, from first draft to final form; it's a concise expression of your innermost values and directions. Even then, you will want to review it regularly and make minor changes as the years bring new insights. Be guided by Viktor Frankl, who says we detect rather than invent our mission in life:

"Everyone has his own specific vocation in life

Therein he cannot be replaced, nor can his life be repeated."

Organizations need mission statements. So do families, so that they do not simply lurch from emotional crisis to crisis - but instead know they have principles that will support them. The key is to have each member of the group contribute ideas and words to the final product. That contribution alone generates real commitment.

### **HABIT THREE – PUT FIRST THINGS FIRST**

Question: *What one thing could you do - which you aren't doing now - that If you did it regularly, would make a tremendous difference in your business or personal life?*

The next habit involves self-leadership and self-management: putting first things first. Leadership decides what the "first things" are, and management is the discipline of carrying out your program.

As Peter Drucker has pointed out, the expression "time management" is something of a misnomer: We have a constant amount of time, no matter what we do; the challenge we face is to manage ourselves. To be an effective manager of yourself, you must organize and execute around priorities.

**We don't manage time. We can only I manage ourselves.**

Instead of trying to fit all the things of our lives into the time allotted, as many time-management plans do, our focus here is on enhancing relationships and achieving results.

We all face the same dilemma. We are caught between the urgent and the important.

Something urgent requires immediate attention, it's usually visible, it presses on us, but may not have any bearing on our long-term goals. Important things, on the other hand, have to do with results - they contribute to our mission, our values, our high-priority goals. We react to urgent matters; we often must act to take care of important matters, even as urgent things scream for our attention.

People get "harried" away from their real goals and values by subordinating the important to the urgent; some are beaten up by problems (in quadrants I and HI on the "Time-Management Matrix") all day, every day. Their only relief is in escaping once in a while to the calm waters of quadrant IV.

To paraphrase Drucker again, effective people don't solve problems - they pursue opportunities. They feed opportunities and starve problems. They have genuine quadrant I emergencies, but by thinking and acting preventively, they keep their number down.

With the time-management quadrants in mind, consider the question you answered at the beginning of this section. What quadrant do your answers fit in? My guess is quadrant H: deeply important, but not urgent And because they aren't urgent, you don't do them.

I put a group of shopping-center managers through the same exercise. The thing they said would make a tremendous difference was to build helpful personal relationships with their tenants - the owners of the stores inside the center - a quadrant II activity.

We did an analysis of how much time they spent on that activity. It was less than 5 percent of their time. They had good reasons: urgent problems, one after the other. Reports, meetings, calls, interruptions. Quadrant I consumed them. The only time they did spend with store managers was filled with negative energy: when they had to collect money or correct advertising practices that were out-of-line.

The owners decided to be proactive. They resolved to spend one-third of their time improving their relationships with tenants. I worked with the organization a year and a half, and saw their time spent with tenants climb to 20 percent. They became listeners and consultants to their tenants. The effect was profound. Tenants were thrilled with the new ideas and skills the owners brought them. Sales in the stores climbed, and so did revenues from the leases.

Quadrant II activities are very powerful, because they are closely tied to results. Your effectiveness will increase dramatically with a small increase in those activities; your crises will be fewer and smaller.

To say "yes" to important things requires you to learn to say no to other activities, some of them urgent. Keep in mind that you are always saying "no" to something. If it isn't to the urgent things in your life, it's probably to the more fundamental, important things.

To pursue quadrant II:

- Identify your key roles: business, family, church - whatever comes to mind as important. Think of those you will act in for the coming week.
- Think of two or three important results you feel you should accomplish in each role during the next seven days. At least some of these goals should be quadrant II activities.
- Look at the week ahead with your goals in mind, and block out the time each day to achieve them. Once your key goals are in place, look how much time you have left for everything else! How well you succeed will depend on how resilient and determined you are at defending your most important priorities.

## **HABIT FOUR – SEEK TO UNDERSTAND, THEN BE UNDERSTOOD**

The most important word to know in mastering this habit is "listen." Listen to your colleagues, family, friends, customers - but not with intent to reply, to convince, to manipulate. Listen simply to understand, to see how the other party sees things.

The skill to develop here is empathy. Empathy is not sympathy. Sympathy is a form of agreement, a judgment. The essence of empathic listening is not that you agree with someone; it's that you fully understand him, emotionally and intellectually.

**Empathic listening is with the ears, eyes, and heart - for feeling, for meaning.**

It's powerful because it gives you accurate data to work with, instead of projecting and assuming your own thoughts and motives. You can only work with someone productively and make an appropriate deposit in your Emotional Bank Account with him if you understand what really matters most to him.

If the air were suddenly sucked out of the room you're in, your interest in this article would wane quickly, wouldn't it? With survival at stake, you wouldn't care about anything except getting air.

Empathic listening can be a powerful emotional deposit in itself, because it provides the speaker with psychological air. When that need is met, you can work on your agreement in an atmosphere of trust.

On the second day of a seminar in Chicago, a commercial real estate broker burst in to tell me what had happened the night before, after class. After six months of hard work, he'd nearly closed a big deal; then at the last minute, the clients seemed to lose interest. Another agent with another deal was brought in, and they were ready to take the second deal instead.

The broker didn't know what to do; he'd put all his effort into this one deal, and now it was fizzling. He'd tried his last sales technique; then he just asked them to their decision. But they wanted to get it over with.

So he went for broke and said to his counter part, "Let me see if I really understand what your position is and what your concerns about my offer are." As he started to put himself in the man's shoes and describe what he saw, the man opened up to him. In the middle of their conversation, the man stood up, walked over to the phone, and dialed his wife. As he was waiting for her to pick up, he explained, "You've got the deal."

The broker had given him psychological air just when he needed it. It shows that when other things are relatively equal, the human dynamic is more important than the technical dimensions of the deal.

## **5 HABIT FIVE – THINK “WIN/WIN”**

Once we've mastered the first three habits, we're ready to move from the "private victory" to the "public victory." Self and self-discipline are the foundation of good relationships s others.

We all know what a financial bank account is. If we make de is in it, money will be there for us to withdraw when we need it. The Emotional Bank Account is a metaphor that describes the amount of trust that's been built up in a personal relationship. If into an account with you through courtesy, kindness, honesty, and keeping my commitments to you, I build up a reserve. Your trust for me becomes higher, and I can call on it III need to; I can even make mistakes, and that trust level will compensate for it. Communication is easy, instant, and effective.

But if I have a habit of showing courtesy, disrespect, cutting you off, overreacting, betraying your trust, or threatening you, my account gets overdrawn. The trust level is low; what flexibility do I have?

None. I am walking on mine fields. I'm politicking; I have to measure every word. Many organizations and many marriages are like this.

The fourth habit, "Think win/win," entails making an important deposit in another person's Emotional Bank Account: finding a way both of you can benefit by your interaction. All the other possibilities - win/lose (I win, you lose), lose/win (I lose, you win), and lose/lose - are ineffective, either in the short term or the long term.

The best way to approach Win/Win dealing is to remember that it (like all agreements) embodies a caveat: The complete description is "Win/win - or no deal." Your attitude should be, "I want to win, and I want you to win, If we can't hammer something out under those

conditions, let's agree that we won't make a deal this time. Maybe we'll make one in the future."

The president of a computer software company told me of the time he'd signed a five-year contract to supply software to a bank. The bank president was enthusiastic about the deal, but his people weren't. A month later, the bank changed presidents.

The new president came to the software company president and said, "I am uncomfortable with these software conversions. My people are unhappy, and I have a mess on my hands."

The computer company was already in financial trouble at the time. It had every legal right to enforce its contract. But the software company president responded: "We have a contract. But we understand you're not happy about it. We'll return your contract and your deposit, and if you're ever looking for a software solution in the future, come back and see us." He walked away from an \$84,000 contract. It might look like financial suicide, but he figured he didn't want to create an unhappy customer, and his attention to principle would pay off somehow.

Three months later, the new president called back. He was ready to put in a new software system. They signed a contract for \$240,000.

### **If a deal hurts them, it will hurt you.**

Using the paradigm of Win/Win requires three traits:

- Integrity - We define integrity as the value we place on ourselves: We need to be self-aware, possessed of an independent will. We make and keep meaningful promises and commitments to ourselves and others.
- Maturity - This is the balance between courage and consideration. Simply put, you must have enough empathy and goodwill to work for a win for your counterpart, and enough courage to make a win for yourself.
- Abundance Mentality - You must know and believe that there is plenty out there for everybody. Many people don't: They think that to succeed themselves, others must fail. They harbor secret hopes that other people must suffer misfortune - not terrible misfortune, but acceptable misfortune that will keep them in their place. The Abundance Mentality recognizes that possibilities for growth and success are potentially limitless, and sees in others the opportunity to complement its own strengths.

Win/win is a powerful management tool. Drucker recommends using the "manager's letter" to define the performance agreement between boss and employee. After a thorough discussion of expectations, guidelines, and resources, the employee writes a letter to the manager summarizing the discussion and setting the date for the following review.

With the agreement in place, the employee can manage himself within the framework of the agreement. The manager becomes like the pace car at an auto race: He gets things going and gets out of the way. His job from then on is to remove the oil spills. When the boss becomes the first assistant to each subordinate, he increases his span of control. Entire levels of administration can be eliminated, and he can double or triple his managerial leverage.

I once consulted for a company that wanted me to train their retail people in human relations: They said the employees on the selling floor were rude. I went to their stores, and indeed, the sales help were rude. I wondered why.

"Look, we're on top of the problem," the company president said. "The department heads are out there setting a great example: Their job is two-thirds selling and one-third management. They're outselling everyone. Just train the sales help to sell, too."

But I went back to the store for more data. It turned out that managers (who got sales commissions) were sending the sales help into the back to take care of cleaning and inventory, stepping behind the cash register and “creaming” every sale, except during the store’s most frantic periods. That’s why they were outselling their employees.

We replaced that win/lose compensation system with win/win: We changed the rules so that managers only made money when the sales staff made money. The sales clerks’ attitude problem disappeared overnight.

## HABIT SIX – SYNERGIZE

When Winston Churchill was called to lead Great Britain’s war effort, he remarked that all his life had prepared him for this hour.

In a similar sense, the exercise of all the other habits prepares us for the habit of synergy. Properly understood, synergy is the highest activity of life. Through it, we create new, untapped alternatives - things that didn’t yet exist. We unleash people’s greatest powers. We make a whole greater than the sum of its parts.

The creative process is also terrifying, because you don’t know exactly what’s going to happen or where it’s going to lead. You leave the comfort zone of base camp and confront an entirely new and unknown wilderness. You become a pathfinder.

The basis of synergy is that two people can disagree, and both can be right. It’s not logical. It’s psychological. I was hired to lead discussion at the annual two-day planning meeting for top executives of a big insurance company. The usual pattern was to discuss major issues chosen through a questionnaire. Past meetings had been generally respectful exchanges, and on occasion they deteriorated into win/lose ego battles. They were usually predictable and boring.

I convinced them to commission several executives to write anonymous “white papers,” which were passed out to all the executives ahead of time, so they could immerse themselves in the differing points of view.

By removing both the need to be polite (and uncreative) and the threat of other egos (since the papers were anonymous), the release of creative

energy was incredible. The executives generated new ideas and insights, and quickly made all the white papers obsolete. Most interesting a new, common vision for the company and its mission began to form before our eyes.

Once people have experienced real synergy, they are never quite the same again. They know that the possibility of such mind-expanding adventures always exists. The device that opens us to synergy’s power depends on all the habits of effectiveness at once, requiring confidence, integrity, and empathy. It’s all embodied in one crucial ability: to value and exploit the mental, emotional, and psychological differences between people.

**Once people have been through synergy, they’re not the same.**

## **HABIT SEVEN – SHARPEN THE SAW**

Suppose you come upon a man in the woods feverishly sawing down a tree.

"You look exhausted!" you exclaim. "How long have you been at it?"

"Over five hours," he replies, "and I am beat. This is hard."

"Maybe you could take a break for a few minutes and sharpen that saw. Then the work would go faster."

"No time," the man says emphatically. "I'm too busy sawing."

Habit seven is taking time to sharpen the saw (you're the saw). It's the habit that makes all the others possible.

To sharpen the saw means renewing ourselves, in all four aspects of our natures:

- Physical - exercise, nutrition, stress management;
- Mental - reading, visualizing, planning, writing;
- Social/Emotional - service, empathy, synergy, security;
- Spiritual - spiritual reading, study, and meditation;

To exercise in all these necessary dimensions, we must be proactive. No one can do it for us or make it urgent for us; it is a quadrant IV activity.

For instance, exercise is a typical, high-leverage, quadrant II activity that most of us don't do consistently enough.

We think we don't have time to exercise. What distorted thinking! We don't have time not to. We're talking about three to six hours a week. That's a drop in the bucket compared with the enormous, beneficial impact on the other 162-plus hours in the week. Be proactive. If it's raining on the morning you've scheduled to jog, do it anyway. "Oh good!" you'll cry. "It's raining! I get to develop my willpower as well as my body."

Reading for your work and planning require their own allotment of quadrant II time; and you obviously must be wise enough not to "sacrifice" much for your profession that you neglect your family, friends, and community.

Taking care of your spiritual dimension renews your core, your center, your commitment to all your principles. People do this in a variety of ways. Some meditate on the scriptures. Others immerse themselves in great literature or music, or commune with nature.

### **To become strong, renew the spirit.**

In a story called "The Turn of the Tide," Arthur Gordon describes a time when he found his world stale and flat. His enthusiasm for life waned, and he was getting worse daily.

A medical doctor found nothing physically wrong with him, but said he might be able to help if Gordon could follow his instructions for one day. He was to spend the next day in the place where he'd been happiest as a child. He was not to talk to anyone, nor to read, write, or listen to the radio. The doctor then wrote out four prescriptions and told him to open one at 9a.m., noon, 3 p.m., and 6 p.m.

The next morning, Gordon went to the beach. His first prescription said only this: "Listen carefully." It seemed insane to listen to waves for three hours. But he did it - and began to hear more and more sounds that weren't obvious at first. He began to think of lessons he'd learned as a child from the sea: patience, respect for the interdependence of things. He felt a growing peace.

The noon prescription read, "Try reaching back." To what? He thought of the joyful times of his childhood, and felt a growing warmth inside.

The 3 p.m. message threw some cold water on him: "Examine your motives." At first, he was defensive. Of course he wanted success, fame, security - he could justify them all. But then it occurred to him that these motives weren't good enough, and that fact was making him stagnant. "It makes no difference," he wrote later, "whether you are a mailman, a hairdresser, a housewife - whatever. As long as you feel you are serving others, you do the job well. When you are concerned only with helping yourself you do it less well - a law as inexorable as gravity."

When 6 p.m. came, the final prescription didn't take long to fill: "Write your worries on the sand." He knelt and wrote several words with a piece of broken shell; then he turned and walked away. He didn't look back; he knew the tide would come in.

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